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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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3
4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

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8 *Ex parte* DANIEL R. BAUM
9

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11 Appeal 2008-0767
12 Application 10/038,004
13 Technology Center 3600
14

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16 Decided: July 9, 2008
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19 Before LINDA E. HORNER, ANTON W. FETTING, and DAVID B. WALKER,
20 *Administrative Patent Judges*.
21 FETTING, *Administrative Patent Judge*.

22 DECISION ON APPEAL

23 STATEMENT OF CASE

24 Daniel R. Baum (Appellant) seeks review under 35 U.S.C. § 134 of a non-final
25 rejection of claims 1-21, the only claims pending in the application on appeal.

26 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

27 We AFFIRM.

1 The Appellant invented a way of distributing image prints to a plurality of
2 recipients. This includes receiving an order specifying multiple recipients and, for
3 each specified recipient, a set of one or more images associated with that recipient.
4 For each of the recipients specified in the order, at least one copy of each image in
5 the recipient's image set is printed and the printed image copies are distributed to
6 their respective associated recipients (Specification 3:29 – 4:4). An understanding
7 of the invention can be derived from a reading of exemplary claim 1, which is
8 reproduced in the Analysis section below.

9 This appeal arises from the Examiner's Non-Final Rejection, mailed
10 August 12, 2005. The Appellant filed an Appeal Brief in support of the appeal on
11 September 11, 2006. An Examiner's Answer to the Appeal Brief was mailed on
12 October 2, 2006.

13 PRIOR ART

14 The Examiner relies upon the following prior art:

Hartman	US 5,960,411	Sep. 28, 1999
Lockhart	US 2002/0103697 A1	Aug. 1, 2002

15 REJECTIONS

16 Claims 1-10 and 13-21 stand rejected under 35 U.S.C. § 102(e) as anticipated
17 by Lockhart.

18 Claims 11 and 12 stand rejected under 35 U.S.C. § 103(a) as unpatentable over
19 Lockhart and Hartman.

ISSUES

The issues pertinent to this appeal are:

- Whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 1-10 and 13-21 under 35 U.S.C. § 102(e) as anticipated by Lockhart.
- Whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 11 and 12 under 35 U.S.C. § 103(a) as unpatentable over Lockhart and Hartman.

The pertinent issue turns on whether Lockhart describes a single card order specifying a plurality of recipients and the order being completed in a single transaction sequence.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to Claim Construction

01. The disclosure contains no lexicographic definition of “transaction.”
02. The ordinary and customary meaning of “transaction” within the context of a business transaction is something transacted especially a business agreement or exchange.¹
03. The disclosure contains no lexicographic definition of “order.”

¹ *American Heritage Dictionary of the English Language* (4th ed. 2000).

1 04. The ordinary and customary meaning of “order” within the context of
2 a business transaction is a commission or instruction to buy, sell, or
3 supply something.
4

5 *Lockhart*

6 05. Lockhart is directed to generating and distributing surface mail
7 utilizing a global computer network (Lockhart ¶ 0003).

8 06. After logging in, the user selects the address of the recipient, the
9 user’s prepaid balance is decremented, and the postcard is scheduled for
10 delivery (Lockhart ¶’s 0081-82, 0085-86, 0094-95, 0096-97; Fig. 2:212,
11 220, 222, 226, 228).

12 07. Lockhart’s user selects the address of the desired recipient. This is
13 preferably accomplished using an address book scheme. The displayed
14 address book includes a number of entries which may be selected via a
15 standard checkbox (Lockhart ¶ 0086).

16 08. Lockhart may employ a web-based mail merge in connection with the
17 creation of post cards and other mail items. For example, a single card
18 design may be used for a variety of recipients whose names are merged
19 in from a merge data file (Lockhart ¶ 0088).

20 09. In Lockhart, after the recipient address for the mail item is selected,
21 the user’s account balance is accessed by the system. If the account
22 balance is positive, the balance is decremented in accordance with the
23 postage required for the mail item being sent. If the account balance is
24 zero, or less than the required postage, then the user is provided the

1 opportunity to purchase postcards or other mail items on-line.

2 Depending upon the particular embodiment, the user may be able to
3 purchase an arbitrary amount of postcards. Or the user may be presented
4 with a choice of discrete quantities (1, 10, 25, etc.). In any event, the
5 user is then prompted for suitable charge or debit card information, after
6 which the user can confirm the purchase (Lockhart ¶ 0095).

7 10. Once the recipient address is entered, the user is allowed to review the
8 final postcard and schedule its delivery date (Lockhart ¶ 0097).

9 11. On or prior to the send date, the mail file associated with the postcard
10 is sent to a printing facility (Lockhart ¶ 0100).

11 *Hartman*

12 12. Hartman is directed to ordering items over the Internet (Hartman 1:6-
13 8).

14 13. Hartman's client system displays information that identifies an item
15 for sale and displays an indication of an action (e.g., a single action such
16 as clicking a mouse button) that a purchaser is to perform to order the
17 identified item (Hartman 2:50-57).

18 *Facts Related To The Level Of Skill In The Art*

19 14. Neither the Examiner nor the Appellant has addressed the level of
20 ordinary skill in the pertinent arts of business transaction and computer
21 graphics design and programming. We will therefore consider the cited
22 prior art as representative of the level of ordinary skill in the art. *See*
23 *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) ("[T]he
24 absence of specific findings on the level of skill in the art does not give

1 rise to reversible error ‘where the prior art itself reflects an appropriate
2 level and a need for testimony is not shown’”) (quoting *Litton Indus.*
3 *Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

4 *Facts Related To Secondary Considerations*

5 15. There is no evidence on record of secondary considerations of non-
6 obviousness for our consideration.

7 PRINCIPLES OF LAW

8 *Claim Construction*

9 During examination of a patent application, pending claims are given
10 their broadest reasonable construction consistent with the specification. *In*
11 *re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci.*
12 *Tech Ctr.*, 367 F.3d 1359, 1369 (Fed. Cir. 2004).

13 Limitations appearing in the specification but not recited in the claim are not
14 read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed.
15 Cir. 2003) (claims must be interpreted “in view of the specification” without
16 importing limitations from the specification into the claims unnecessarily).

17 Although a patent applicant is entitled to be his or her own lexicographer of
18 patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*,
19 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such
20 definitions in the Specification with sufficient clarity to provide a person of
21 ordinary skill in the art with clear and precise notice of the meaning that is to be
22 construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although
23 an inventor is free to define the specific terms used to describe the invention, this
24 must be done with reasonable clarity, deliberateness, and precision; where an

1 inventor chooses to give terms uncommon meanings, the inventor must set out any
2 uncommon definition in some manner within the patent disclosure so as to give
3 one of ordinary skill in the art notice of the change).

4 *Anticipation*

5 "A claim is anticipated only if each and every element as set forth in the claim
6 is found, either expressly or inherently described, in a single prior art reference."
7 *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir.
8 1987). "When a claim covers several structures or compositions, either generically
9 or as alternatives, the claim is deemed anticipated if any of the structures or
10 compositions within the scope of the claim is known in the prior art." *Brown v.*
11 *3M*, 265 F.3d 1349, 1351 (Fed. Cir. 2001). "The identical invention must be
12 shown in as complete detail as is contained in the ... claim." *Richardson v. Suzuki*
13 *Motor Co.*, 868 F.2d 1226, 1236 (Fed. Cir. 1989). The elements must be arranged
14 as required by the claim, but this is not an *ipsissimis verbis* test, i.e., identity of
15 terminology is not required. *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990).

16 *Obviousness*

17 A claimed invention is unpatentable if the differences between it and the
18 prior art are "such that the subject matter as a whole would have been obvious at
19 the time the invention was made to a person having ordinary skill in the art."
20 35 U.S.C. § 103(a) (2000); *KSR Int'l v. Teleflex Inc.*, 127 S.Ct. 1727 (2007);
21 *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

22 In *Graham*, the Court held that that the obviousness analysis is bottomed on
23 several basic factual inquiries: "[(1)] the scope and content of the prior art are to be
24 determined; [(2)] differences between the prior art and the claims at issue are to be
25 ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved." 383

U.S. at 17. *See also KSR Int'l v. Teleflex Inc.*, 127 S.Ct. at 1734. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, at 1739.

“When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.” *Id.* at 1740.

“For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.” *Id.*

“Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.” *Id.* at 1742.

ANALYSIS

Claims 1-10 and 13-21 rejected under 35 U.S.C. § 102(e) as anticipated by Lockhart.

Claims 1-10 and 13

The Appellant argues claims 1-10 and 13 as a group (Br. 5:Heading and 10:Last ¶).

Accordingly, we select claim 1 as representative of the group.
37 C.F.R. § 41.37(c)(1)(vii) (2007).

1 The Examiner found that Lockhart anticipated claim 1 as follows (Answer 5)
2 [bracketed matter, including citations to where the Examiner found support, and
3 some paragraphing added].

4 1. A computer-implemented method of distributing cards to a plurality
5 of recipients, the method comprising:

6 [1] receiving

7 a single card order specifying

8 a plurality of recipients and,

9 for each specified recipient,

10 a set of one or more images

11 directly uploaded by a user associated with that
12 recipient,

13 wherein the single card order is completed in a single
14 transaction sequence; [Lockhart ¶'s 0021-0023]

15 [2] for each of the plurality of recipients specified in the received card
16 order,

17 printing at least one card

18 having at least one user-uploaded image from the
19 recipient's image set; and [Lockhart ¶'s 0050-0062]

20 [3] distributing the printed cards

21 having the recipients' user-uploaded images

22 to their respective associated recipients. [Lockhart ¶'s 0086-
23 0088 & 0100]

24 The Appellant contends that Lockhart is silent on a single card order specifying
25 a plurality of recipients and the order being completed in a single transaction
26 sequence (Br. 9-10). The Appellant argues that Lockhart ¶ 0086 merely describes
27 using an address book rather than specifying a plurality of recipients in a single
28 order (Br. 9:Second full ¶). The Appellants further argue that Lockhart ¶ 0088
29 fails to show a set of images uploaded by a user associated with the recipient

1 wherein the order is completed in a single transaction (Br. 9:Third full ¶). The
2 Appellant argues that this is further shown at Lockhart's description in ¶ 0095 of
3 the user's balance being accessed *in seriatim* (BR. 9:Bottom ¶ - 10:First full ¶).
4 The Appellant concludes that the Examiner read more into Lockhart than is done
5 by Lockhart's mail merge (Br. 10:Second full ¶).

6 The Examiner responded that the Appellant has not shown that Lockhart fails
7 to describe a plurality of recipients in a single order, and the Examiner further
8 found that Lockhart shows this in Lockhart Fig. 1. The Examiner also found that
9 the limitation of a single transaction sequence was sufficiently broad to encompass
10 Lockhart's method of not requiring a user to enter into different or separate
11 transactions for individual recipients (Answer 9). The Examiner further found that
12 Lockhart describes at least one embodiment that does not perform transactions *in*
13 *seriatim* at Lockhart ¶ 0095 in which the user is allowed to complete a single
14 transaction for all the selected cards (Answer 10).

15 We agree that Lockhart anticipates claim 1. Much of the Appellant's
16 arguments surround how Lockhart uses orders and transactions, so we must first
17 construe these terms within the claims. The Specification contains no
18 lexicographic definition of either term. The usual and customary meaning within a
19 business context of an order is a commission or instruction to buy, sell, or supply
20 something, and of a transaction is something transacted, especially a business
21 agreement or exchange (FF 01, 02, 03, & 04). Therefore we construe step [1] to
22 mean receiving a single instruction to buy something related to cards, that
23 instruction specifying a plurality of recipients and, for each specified recipient, a
24 set of one or more images directly uploaded by a user associated with that
25 recipient, wherein the instruction to buy is completed in a single business

1 agreement sequence. That is, the entire agreement is completed in a single
2 sequence that is started with one instruction.

3 Lockhart requires payment in advance of mailing, into a customer account, the
4 equivalent of digital postage (FF 09). Since Lockhart relies on a prepaid balance
5 for payment, the transactional operating sequence begins with some instruction to
6 order something that will consume part of the prepaid balance. After logging in,
7 Lockhart's user selects the address of the recipient, then the user's prepaid balance
8 is decremented, and finally the postcard is scheduled for delivery (FF 06). Thus,
9 address selection is the instruction that starts the order's sequence and scheduling
10 ends the sequence. The business agreement constituting the transaction in
11 Lockhart is therefore the agreement to accept postcards into a delivery queue in
12 accordance with a delivery schedule.

13 Lockhart describes using a mail merge for a variety of recipients whose names
14 are merged in from a merge data file (FF 08). Thus, the instruction that starts the
15 sequence, *viz.* the address selection, may specify a plurality of recipients. After the
16 recipient address for the mail item is selected, the user's account balance is
17 accessed by the system, and if the balance is insufficient, the user may purchase
18 additional postage for multiple recipients (FF 09). Thus, even should a payment be
19 included within the operating sequence, the user may accomplish this with a single
20 payment for the plurality of recipients. The sequence begun by the address
21 selection instruction ends with scheduling of delivery (FF 10). Delivery itself
22 occurs in a separate operating sequence driven by the schedule (FF 11).

23 Lockhart's sequence begun with a mail merge creating plural recipients
24 therefore ends with scheduling of delivery of those recipients. All steps are

1 scheduled within a single sequence beginning with address selection and ending
2 with completion of scheduling form a single transaction.

3 The Appellant argues that because the system operates on one recipient at a
4 time, each recipient postcard is a separate transaction and order in Lockhart. But
5 this is equivalent to arguing that because a computer operates on one instruction at
6 a time, every instruction is a separate transaction. The scope of a transaction
7 depends on context, and a single transaction in one context may indeed contain
8 multiple transactions as viewed in a narrower context. Thus, a single order for
9 multiple recipients may need to be processed on a recipient-by-recipient basis, but
10 the transaction, i.e. the business agreement, is still singular.

11 We find nothing in the Specification or in Lockhart that limits the scope of
12 Lockhart's order and transaction to the degree argued by the Appellant. As we
13 found *supra*, Lockhart may begin the sequence with a single instruction, i.e. order,
14 for plural recipients. And everything scheduled within a single sequence,
15 beginning with address selection and ending with completion of scheduling forms,
16 is a single business agreement, i.e. transaction. Thus, we find that rather than the
17 Examiner reading more into Lockhart's mail merge than is there, as the Appellant
18 argued, the Examiner simply construed the claim limitations with the breadth of
19 scope as drafted.

20 *Claims 14-21*

21 Independent claims 14, 16, 17 and 21 are similar in claimed subject matter to
22 claim 1, and the Appellant repeated the arguments made in support of patentability
23 of claim 1 to each of these claims. The Appellant relied upon these arguments in
24 support of the patentability of the dependent claims (Br. 11-26). Rather than

1 explicitly repeating our findings from claim 1, we simply find that our findings
2 *supra* as to the same arguments made by the Appellant in support of claim 1 apply
3 to these claims as well.

4 The Appellant has not sustained its burden of showing that the Examiner erred
5 in rejecting claims 1-10 and 13-21 under 35 U.S.C. § 102(e) as anticipated by
6 Lockhart.

7 *Claims 11 and 12 rejected under 35 U.S.C. § 103(a) as unpatentable over*
8 *Lockhart and Hartman.*

9 Claims 11 and 12 further require a single transaction sequence terminated by
10 an order icon or by a click of a "card order" button, respectively. The Examiner
11 applied Hartman for these limitations. The Appellant argues that Hartman's
12 clicking to order an identified item is not the same as step [1] of claim 1, that
13 Lockhart teaches away, and that there is no motivation to combine Lockhart and
14 Hartman (Br. 27-29).

15 We disagree with the Appellant's arguments. Hartman describes displaying
16 information that identifies an item for sale and displays an indication of an action
17 (e.g., a single action such as clicking a mouse button) that a purchaser is to perform
18 to order the identified item (FF 13). This describes or at least suggests a single
19 transaction sequence terminated by an order icon or by a click of an order button.
20 Because Hartman is directed to ordering items over the Internet (FF 12), this alone
21 would provide the motivation to apply the order placement techniques for Internet
22 shopping taught by Hartman to the Internet card shopping described by Lockhart.
23 Since we found that Lockhart anticipates claim 1 *supra*, including step [1], whether
24 Hartman also describes step [1] is moot. Similarly, since Lockhart anticipates
25 step [1], it does not teach away from step [1].

1 The Appellant has not sustained its burden of showing that the Examiner erred
2 in rejecting claims 11 and 12 under 35 U.S.C. § 103(a) as unpatentable over
3 Lockhart and Hartman.

4 CONCLUSIONS OF LAW

5 The Appellant have not sustained their burden of showing that the Examiner
6 erred in rejecting claims 1-10 and 13-21 under 35 U.S.C. § 102(e) as anticipated
7 by Lockhart and have not sustained their burden of showing that the Examiner
8 erred in rejecting claims 11-12 under 35 U.S.C. § 103(a) as unpatentable over
9 Lockhart and Hartman.

10 On this record, the Appellant is not entitled to a patent containing claims 1-21.

11 DECISION

12 To summarize, our decision is as follows:

- 13 • The rejection of claims 1-10 and 13-21 under 35 U.S.C. § 102(e) as
14 anticipated by Lockhart is sustained.
- 15 • The rejection of claims 11 and 12 under 35 U.S.C. § 103(a) as unpatentable
16 over Lockhart and Hartman is sustained.

17 No time period for taking any subsequent action in connection with this appeal
18 may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

19
20 AFFIRMED
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22
23

Appeal 2008-0767
Application 10/038,004

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